

Message Text

LIMITED OFFICIAL USE

PAGE 01 DACCA 01169 060406Z

14

ACTION AGR-08

INFO OCT-01 NEA-10 ISO-00 EB-07 COME-00 STR-04 TRSE-00

CIAE-00 INR-07 NSAE-00 CIEP-01 /038 W

----- 025499

R 051050Z MAR 76

FM AMEMBASSY DACCA

TO SECSTATE WASHDC 9913

INFO AMCONSUL CALCUTTA

AMEMBASSY NEW DELHI

LIMITED OFFICIAL USE DACCA 1169

EO 11652: N/A

TAGS: EAGR, BG

SUBJ: 1976/77 JUTE POLICY ANNOUNCED

1. THE MINISTRY OF JUTE ON FEBRUARY 27 ISSUED A PRESS NOTE ANNOUNCING THAT THE MINIMUM PRICE FOR THE LOWEST GRADE OF JUTE WOULD BE TAKA 90/MAUND EFFECTIVE JULY 1, 1976. EARLY ANNOUNCEMENT (IN 1975 MINIMUM PRICE ANNOUNCED IN JULY) CLEARLY INTENDED TO INFLUENCE FARMERS PLANTING DECISIONS. NEW MINIMUM PRICE UNCHANGED FROM MINIMUM PRICE NOW IN FORCE AND LOWER THAN PREVAILING MARKET PRICES.

2. PRESS NOTE STATED THAT MINIMUM PRICE WAS MEANT "TO PROVIDE A FAIR MARGIN BETWEEN THE GROWER'S SALE PRICE AND HIS COST OF PRODUCTION" AND THAT MINIMUM PRICE IS NOT INTENDED "TO DEPRESS CURRENT PRICES". PENAL ACTION WAS THREATENDED IF PURCHASERS VIOLATE THE MINIMUM PRICE. FULL TEXT OF PRESS NOTE WILL BE FORWARDED BY AIRGRAM.

3. COMMENT. EARLY ANNOUNCEMENT OF MINIMUM PRICE MAY BE A FACTOR IN REVERSING THE REPORTED STEADY DECLINE IN ACREAGE DEVOTED TO JUTE CULTIVATION. BUT A MORE IMPORTANT FACTOR IS THE SHARP DECLINE IN RICE PRICES (VIS A VIS JUTE). (RICE PRICES ARE ONE-HALF TO ONE-THIRD OF YEAR-AGO LEVELS WHILE JUTE PRICES ARE ABOUT THE SAME AS IN EARLY 1975.) IN ADDITION, LOCAL JUTE TRADERS TELL US THAT IN THE PAST

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 DACCA 01169 060406Z

MARKET

FORCES WERE THE MAJOR DETERMINANT OF THE PRICE THE FARMER
ACTUALLY RECEIVED, NOT MINIMUM PRICES WHICH ARE DIFFICULT FOR THE
GOVERNMENT TO ENFORCE. THUS, IF JUTE ACREAGE INCREASES, THE LOW
PRICE OF RICE WILL BE THE MOST IMPORTANT FACTOR, NOT THE MINIMUM
PRICE
OR THE TIMING OF ITS ANNOUNCEMENT.
BOSTER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: JUTE, POLICIES, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 05 MAR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976DACCA01169
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760086-0105
From: DACCA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760392/aaaadcsa.tel
Line Count: 68
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AGR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 08 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 JUN 2004 by GarlanWA>; APPROVED <08 JUL 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: 1976/77 JUTE POLICY ANNOUNCED
TAGS: EAGR, BG
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006